

# Module 6



## Public Works Procurement Project Development Process

Procurement Basics  
WSDOT Public Works



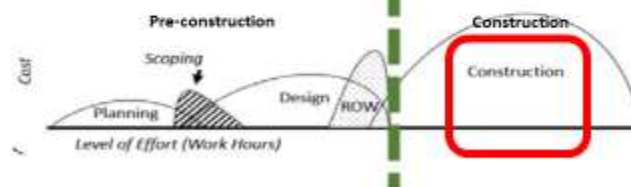
Welcome to Module 6 of the Project Development Training. In this module, we will discuss public works procurement.

notes

## Practical Solutions: Project Development - Scoping



Exhibit 3-1 Scoping and the Simplified View of the Life of a Transportation Project



Procurement falls under the “Implement Solutions” part of the Transportation Practical Solutions Lifecycle.

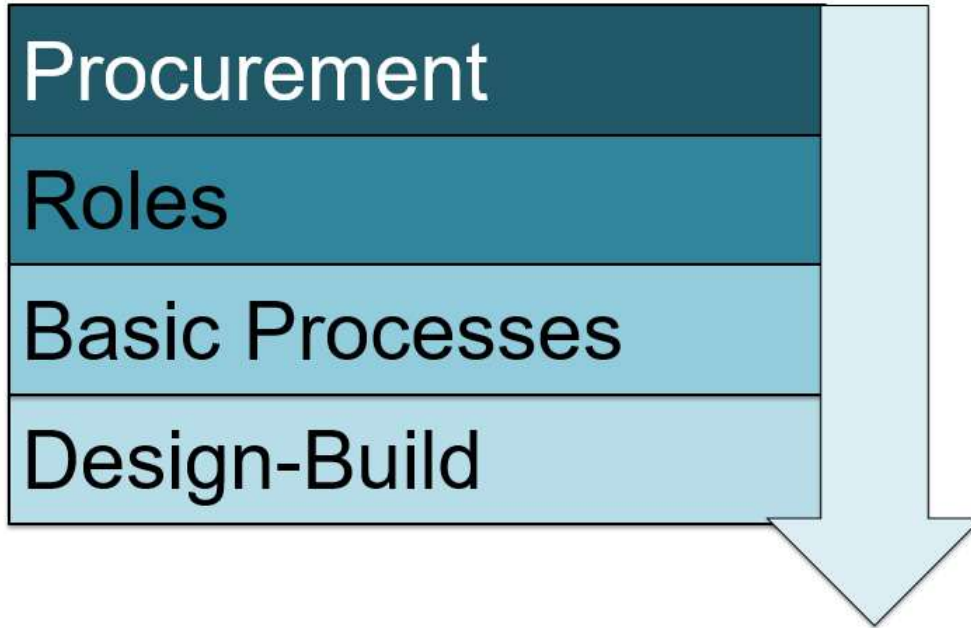
### Planning within the WSDOT Transportation Practical Solutions Lifecycle

#### Ideal Planning Process:

1. Performance Measures-Agency Direction
2. Data & Analysis
3. Identify Performance Gaps
4. Work with Partners
5. Rank & Prioritize Strategies
6. Develop Recommendations
7. Create Prioritized List of Recommendations for Programming

notes

# Learning Outcomes



In this course, you will hear the definition of public procurement. You will learn WSDOT's public procurement organizational structure including an overview of the roles played by Headquarters and WSDOT's regions. You will also learn about basic processes involved in procurement of contracts. At the end of the course, we will briefly cover the key differences between Design-Build and Design-Bid-Build.

Notes



The process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process to ensure the best value for the public.

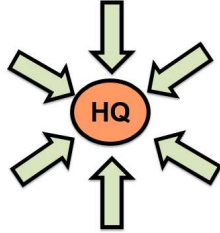
Procurement is the process of finding and agreeing to terms, and acquiring goods, services, or works from an external source, often via a tendering or competitive bidding process. Competitive Procurement ensures the buyer receives goods, services, or works at the best possible price when aspects such as quality, quantity, time, and location are compared. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing risks such as exposure to fraud and collusion.

notes

## Centralized function

WSDOT Public Works Procurement is a centralized Headquarters function.

- Consistency
- Compliance
- Communication
- Efficiency
- Cost savings



Procurement of public works at WSDOT is centralized as a Headquarters function. Contract documents such as plans, specifications and estimates are developed in the WSDOT regions and turned in to Headquarters for advertising, bidding, awarding and executing contracts. This means that all procurement is conducted by the same group of highly trained experts, leading to a number of benefits.

**Consistency:** Being consistent in procurement policy and treating bidders the same way is a must. By having all procurements conducted by a small group we achieve consistent results and treat bidders the same every time.

**Compliance:** Public works procurements are subject to numerous laws and regulations – for example – WSDOT highway contracts require contractors to “prequalify” in order to bid on a contract. Headquarters is responsible for following bills in the legislature, procurement policy and guidance and contractor prequalification. As the policy expert, we can deliver results that comply with the rules and regulations.

**Communication:** Because all communications about our contracts are coming out of one location, we can communicate with our customer as “one DOT.”

**Efficiency:** Centralizing procurement at Headquarters allows us to maintain a group of highly trained experts, rather than trying to deliver training to those in regions who may ultimately not use the training often or need to focus their efforts on other work such as assembling or administering contracts.

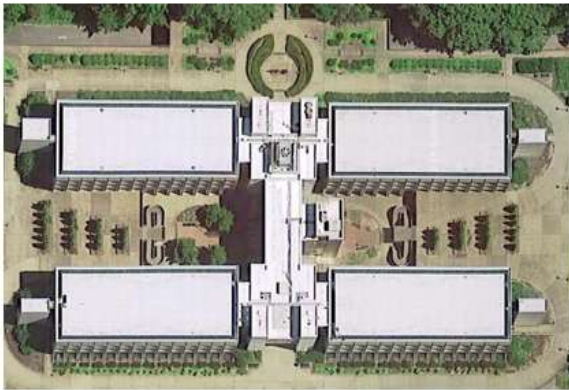
**Cost savings:** Everything mentioned above (and many other benefits not mentioned) lead to cost savings for the agency.

notes

# Headquarters Role

## CONTRACTS

Ad / Bid / Award  
Execute contract



## PROGRAM/POLICY

Prequalification  
Law (RCW / WAC)  
Communication  
Procedure/Guidance

320 Maple Park Ave SE  
Olympia, WA 98501

## Washington State Department of Transportation



6

### CONTRACTS

Reviews final contract  
Advertise contract  
Communication with customer  
Answer customer questions  
Provide contract addenda (changes)  
Distribute contract plans and specs  
Post reference information  
Open bids  
Bid review and acceptance  
Bid rejection  
Bid protests  
Award of contract  
Execute contract  
Templates  
Approvals

### PROGRAM/POLICY

Legislative bill analysis  
RCW (law) and WAC (rule) changes  
Procedure and manual  
Technology and software  
Marketing  
Digital communication strategy  
Prequalify contractors  
Maintain Small Works Roster  
Legal issues  
Contractor performance reports  
Records keeping  
Research/outreach

notes



# Region Role



- Develop PS&E
- Approvals, funding, R/W Certification
- Addenda
- Answer contractor questions
- Develop contract reference information
- Pre-bid conferences/project site visits
- Bid analysis
- What else?

## Region Role

- Plans, specifications and estimate development
- Approval for advertising
- Obtain funding authorization
- Addendum development
- Answer contractor questions
- Develop contract reference information
- Lead pre-bid conferences and project site visits
- Bid analysis
- Funding approval
- What else? (proprietary item approval & right of way certification?)
- Seeks Approvals (NEPA, SEPA, HQ)

notes

## Procurement Ethics

Conflicts of Interest  
Confidential Information  
Private Gain  
Financial Interest  
Gifts  
Compensation  
Political Campaigns  
Special Privileges  
Use of Resources



Some will say that it goes without saying that ethical considerations are of the highest importance in government contracting... but WSDOT will NEVER say that. Instead, here at WSDOT ethics are a constant consideration and a frequent topic of discussion.

WSDOT

8

When it comes to government contracting, you have probably heard a lot of talk about waste, fraud, abuse, mismanagement and misconduct. Because WSDOT awards millions of dollars in public contracts each year and because we are responsible for determining who is qualified to bid those contracts and which bids are acceptable, we must conduct our business at the highest level of transparency and consistency to ensure that our bidders enjoy a level playing field. WSDOT follows the ethical standards set aside for Washington State employees – a course you will soon be taking if you have not already.

Because of these concerns, contracting employees such as the Contract Specialists in WSDOT's Contract Advertisement & Award Office are in a Section 4 relationship - meaning that we seek to acquire goods or services and participate in those contract matters. Employees that participate in regulatory and contract matters are further limited from accepting gifts that other government employees can accept.

Besides gifts, we must ensure that our business practices and business actions are free from providing an advantage to one customer over another. Most actions are documented with a set retention schedule. We must conduct ourselves at the highest standard – imagining that any action we take could eventually be exposed in legal discovery – as is the case when we encounter bid protests and legal challenges. Various ethical considerations are shown in the image – ranging from special privileges to handling confidential data.

notes



# Customer Service

- Technology
- Targeted communication
- Increased customer choice
- Digital communication strategy
- Customer focused enhancements



Customer focus is a huge part of the duties of WSDOT Headquarters in procurement of public works. We have many different customers but the contracting community is our largest customer. This includes prime contractors, sub contractors, engineering firms, vendors, manufacturers and suppliers. It also includes entities like plan centers that also support the same customers that we support. Local transportation departments such as cities and counties are customers as well. Many of these customers change roles to become business partners at times.

To enhance the customer experience, WSDOT makes use of technology such as email marketing and file sharing to communicate better with customers. We use targeted communication to make sure that customers get what they want, for example, notices about an upcoming large projects that they have subscribed to. Our digital communication strategy includes use of web pages, subscriptions and file transfer servers to keep in touch and build our customer database. We make customer focused enhancements drawing from customer feedback solicited from surveys and workshops involving customers. The improvements often lead to increased customer choice – such as the ability to submit a bid on paper or electronically through a website.

	<div data-bbox="250 226 1360 1050"> <p><b>Where the cranes are</b></p> <p>Seattle has the most cranes in the country for the third year in a row.</p> <p>Seattle: 65</p> <p>Chicago: 40</p> <p>Boston: 13</p> <p>Portland: 30</p> <p>New York: 20</p> <p>San Francisco: 26</p> <p>Denver: 28</p> <p>Phoenix: 4</p> <p>Los Angeles: 36</p> <p>Washington, D.C.: 27</p> <p>Honolulu: 11</p> <p>Source: Rider Levett Bucknall MARK NOWLIN / THE SEATTLE TIMES</p> </div> <div data-bbox="207 1066 334 1100"> </div> <div data-bbox="1315 1054 1380 1100"> 10 </div>
<div data-bbox="207 1780 237 1856" style="writing-mode: vertical-rl; transform: rotate(180deg);"> notes </div>	<p>Companies and public agencies that bid work are referred to as “owners.” They will own the project after the contractor has completed the construction. Finding a quality contractor to complete the project for a good value is not a given. Public and private owners must compete for the business of a limited number of local construction companies with the resources necessary to construct large projects. This is especially true in markets like the Puget Sound area. In 2016, 2017 and 2018, Seattle had more cranes in its skyline than any other city in America.</p> <p>WSDOT is in direct competition with the owners of other public and private projects – not just private building construction with its lessened requirements – but also other large public projects like Sound Transit’s light rail expansion for example. In order to attract good and numerous bids, WSDOT must engage in not only marketing to construction contractors but also develop a reputation as an “owner of choice.” An owner of choice is a contracting agency that contractors prefer to do business with whenever possible. WSDOT has many business practices aimed at increasing its reputation as an owner of choice that contractors prefer to work with.</p> <p>Examples include things such as standard contract language and forms, a fair and competitive bidding process, standard plans, allocating risk to the party best able to manage the risk and much more.</p> <p>200 cranes operating west of the Mississippi 100 cranes operating east of the Mississippi</p>

## Prequalification

Ensures our bidders can do the job

**Work Experience**



**Financial Resources**



WSDOT

11

WSDOT manages the annual qualifications of more than 600 contractors. WSDOT requires contractors to be prequalified in order to submit bids. Because Design-Bid-Build contracts are awarded to the lowest bidder, prequalification is extremely important in assuring that work is performed by qualified contractors. To receive a Bid Proposal, a contractor must be prequalified. To do so, a contractor must have a high enough dollar amount of experience to self-perform 30% of work on a specific contract. They must also have the financial resources to take on a contract of that size.

•

We award contractors both amounts of work experience as well as overall bidding capacity based on their financial resources. Work experience is based on completed contracts. Project owners rate contractors on a variety of performance aspects like scheduling, control of subcontractors and administration and management using a form that WSDOT provides. The project dollar amount is broken out into different classifications of work. Contractors are only given amounts in classes with self-performed work that was performed at a standard or above standard level.

We also take into account financial resources to take on the project. Contractors are limited to a value of 5 to 7.5 times their net worth active with the department at any time. This process helps us ensure that our bidders are responsible and that they do not fail to execute contracts or default on contracts. We require submittal of an annual financial statement to calculate the amount.

notes

# Small Works Roster



Qualifying for the Small Works Roster does not require submittal of a financial statement. Any project under \$300,000 can be a bid solicitation to the Small Works Roster instead of a public advertisement. This means that only qualified Small Works Roster participants will be notified of the contract opportunity. Small Works Roster contractors are limited to a bid of \$300,000 unless they provide a financial statement.

The Small Works Roster is a good way for smaller contractors to start doing business with WSDOT.

notes

# Contract Advertisement

## RECONSTRUCT INTERCHANGE

**\$30,000,000 -  
\$35,000,000**

BID OPENING WEDNESDAY,  
AUGUST 22, 2018

1. (THURSTON) SR  
510 INTERCHANGE  
RECONSTRUCT  
INTERCHANGE (CL 1,  
\$30,000,000-\$35,000,000) A  
State Connecting Washington  
Funds Project on I-5, MP 110.14  
to MP 112.50. CONTAINS  
VOLUNTARY MSVWBE GOAL:  
26%. CONTAINS APPRENTICE  
UTILIZATION REQ: 15%.  
Requires: Reconstructing inter-  
change to a Diverging Diamond  
Configuration by widening exist-  
ing bridge, median traffic barrier,  
retaining walls, ramp meters,  
ITS, grading, surfacing, paving,  
curb and gutter, sidewalks, traf-  
fic signals, illumination, signing,  
pavement marking, drainage,  
stormwater facilities, sign bridges,  
cantilever sign structures,  
irrigation, erosion control, traf-  
fic control and other work. 375  
Working days. Involves 269 items.  
CONTAINS MINIMUM BID  
ITEM: TYPE B PROGRESS SCH.  
SUPERSTRUCTURE. (XL-5001)  
(300502C) (17C521)(9297)(1 of 6)

Thurston, Thurston County



13

All public contracts must be advertised publicly in a newspaper of general circulation throughout the state. This is required by the law. To meet this legal requirement, WSDOT advertises contracts in the Seattle Daily Journal of Commerce, along with all other public agencies. In reality though, WSDOT has to go much further to market its contracts to the limited pool of qualified bidders available.

On screen, you will see part of the advertisement for the new SR 510 interchange. The advertisement is geared toward it's specialist audience and attempts to capture the information necessary for a contractor, subcontractor or even a supplier to determine if they may be interested in the project. In addition to publication in the Daily Journal of Commerce, we also use a web-based email subscription management system called Gov Delivery to send our new contract opportunities to a list of over 2,000 subscribers that includes all prequalified contractors. The system tracks how many messages were delivered and opened and how many and even who clicked on each link.

notes



# Distribution of Plans & Specifications (and Addenda)



After the project is advertised, WSDOT makes contracts plans and specifications available to bidders, plan centers, agency staff and others interested in being involved in the project like subcontractors and suppliers. WSDOT provides electronic copies of plans and specifications free of charge on the internet. For a nominal fee, WSDOT will add you to a list of planholders and you will receive addenda, answers to questions and more. Contractors can choose to receive paper copies of plans and specifications printed by WSDOT for a sliding fee from \$35 - \$100 depending on the number of volumes of documents. The documents shown in the picture are from the SR 510 Interchange Reconstruction – a project that cost \$100. The revenue generated from the sales pays the cost to print and distribute the copies and the revenue generated goes back into the transportation budget.

notes



# Contractor Questions & Answers

**From:** Brown, Bob <bbrown@wwgc.com>  
**Sent:** Thursday, September 26, 2019 9:14 AM  
**To:** OR17C521 <OR17C521@wsdot.wa.gov>  
**Subject:** Question on SR 510 Interchange Reconstruction

Good Afternoon,

I am looking over the plans for the Interchange Reconstruction to submit a bid but I have a question. Transformer cabinet 005-XF-11196 is shown in the illumination plan ILD-03 as 5kva. In signal plans SG2-03 & SGD-03 it lists the transformer cabinet in same location as 15kva. What is the correct KVA?  
 Also, service SCA-1824 on plan sheet TIL-05 is listed as type B 300A main breaker. Is this correct as typical WSDOT type B is 200a main breaker?

Thanks,

Bob Brown  
 Lead Estimator  
 Western Washington General Contractor  
 1234 West Street | Olympia, WA 98506  
 Phone: (360) 123-4567 | Fax: (360) 123-4568 | Email: [bbrown@wwgc.com](mailto:bbrown@wwgc.com)  
**Western Washington**  
**GENERAL CONTRACTOR**



Contract 9297 SR 510 Interchange - Reconstruct Interchange			
Q&A #3, August 17, 2018			
Email Bid Questions to: OR 17C521@wsdot.wa.gov			
Question number	Reference existing contract Page # or Addenda	Question	Response
9	Addendum #2	I was looking though the addendum #2 and noticed that the line items of irrigation and planting have been removed. Though I didn't see a lump sum line for them. Which line can I put this in?	Refer to the contract documents - Page 7, 8, 9, & 10 of the proposal.
10	Plan Sheets ILD-03, SG2-03 & SGD-03	1.) Transformer cabinet 005-XF-11196 is shown in the illumination plan ILD-03 as 5kva. In signal plans SG2-03 & SGD-03 it lists the transformer cabinet in same location as 15kva. What is the correct KVA? 2.) Service SCA-1824 on plan sheet TIL-05 is listed as type B 300A main breaker. Is this correct as typical WSDOT type B is 200a main breaker?	1.) Your question shall be addressed by addendum. 2.) Bid in accordance with the Contract.



15

During the advertisement period, as contractors inspect the plans and specifications and begin to put together their bids it can be revealed that certain parts of the contract require additional clarity or changes in order to achieve the planned project. WSDOT outlines this process carefully, in order to avoid the risk of disputes or contractors bidding the project differently. Since all we get from the low bidder is a price, we must ensure that the contract contains any detail we want reflected in the bid – otherwise the contractor may not be required to perform that work – at least without negotiating a change which comes at a cost.

Contractors are required to send questions to the project office. The project office then answers the questions by telling the contractor where in the contract to find the answer, or by doing an addendum to change the contract. On the diverging diamond project, the contractor identified a discrepancy in the plans identifying 2 different electrical cabinet designs at the same location. The Project Office answered the contractor's question by letting them know it would be addressed by addendum.

notes

# Addenda

Washington State  
Department of Transportation  
Olympic Region  
Olympia, Washington 98504

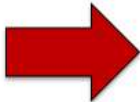
August 17, 2018

ATTENTION: All Bidders and Planholders

I-5  
SR 510 Interchange  
Reconstruct Interchange  
17C521  
Thurston County

## Addendum No. 3

The Special Provisions, Proposal, and Plans for this project are amended as follows:



6. On Plan Sheet 464, the I-5 NB RAMPS/MARVIN RD CABINET LAYOUT DETAIL transformer cabinet callout is revised to read:

5 [15] KVA TRANSFORMER CABINET BASE

Bidders are instructed to revise page 8 of the Proposal as a revised page has not been prepared for attachment to this addendum. If the bidder fails to make these corrections on the Proposal, the items will be corrected by the Department.

Bidders are instructed to revise sheets 9, 300, 302, 303, 306, 307, 309, 310, 456, and 464 of the Plans as revised sheets have not been prepared for attachment to this addendum.



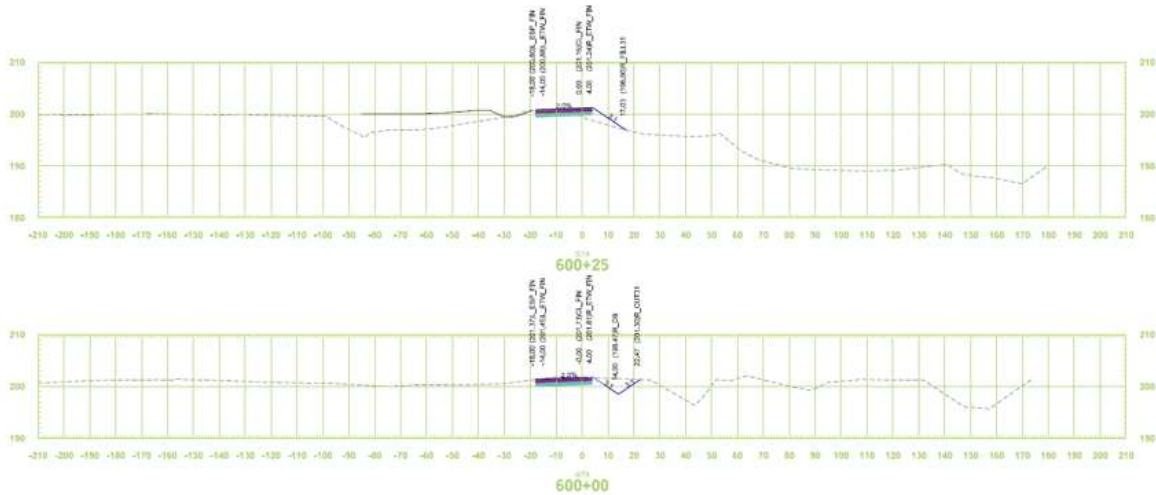
16

An addendum is a change to the contract between the time that the contract is advertised and bid. Once the contract bids, any additional changes can only be negotiated while under contract and likely at a cost. Issuing an addendum to address missing or unclear contract requirements is crucial to avoiding costly changes while under contract. When the change is made by addendum rather than change order, we enjoy the opportunity of competitive bids.

Remember our question about the two different electrical cabinets? Had the Contractor not asked the question during the bid period – it would have most likely resulted in a change order if WSDOT really intended to construct the more expensive cabinet design - as the Contractor would have most likely asserted they bid to use the less expensive electrical cabinet design. Instead, WSDOT issued an addendum to change the Contract Plans and clarify which cabinet to use. WSDOT really appreciates when our Contractors bring these types of issues to our attention during the bid period as it helps to create a level playing field for all the bidders.

notes

# Reference Information



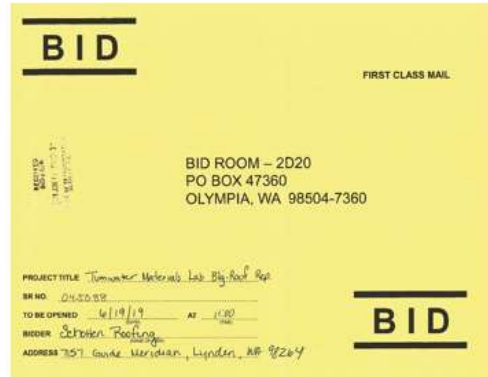
FILE NAME	c:\users\phillip\p\w\wsdot\ms83841\XL5001_XSC_GT.dgn	<b>Informational use only Not Intended for Contract Plans</b>		<b>Cross Sections</b>
TIME	11:03:03 AM			
DATE	6/20/2018			
DESIGNED BY	tphillip			

Reference Information is defined in Section 1-04.3 of the Standard Specifications. It is information provided by agency to the Contractor that is not part of the Contract. WSDOT does not guarantee the accuracy of Reference Information and use by the Contractor is at their own risk. Here, we are looking at Cross Sections of the existing project that were provided to the contractor as reference information for the interchange reconstruction.

Reference Information can consist of items like as-builts, cross sections, reports and memos such as geotechnical reports and even photos and videos. Another example of reference information are the 3 Dimensional models WSDOT develops during design to assist with the development of the Contract plans. The Contract will clearly list the estimated quantities of earthwork (for example how much excavation and how much gravel borrow to build new embankments). However – the 3D models as reference information, will help the Contractor to better understand where the materials are actually being excavated from and placed and in which phases of the project.

notes	
-------	--

# Bid Submittal



- paper or electronic
- due by 11:00:59 a.m. every Wednesday
- All bids are stamped into one of 2 official time-clocks
- Contractors submitting paper bids often stay for bid opening



18

WSDOT Headquarters accepts bids almost every Wednesday. Bids are due by 11 o'clock and 59 seconds (or prior to 11:01). All bids are stamped into one of two official time clocks – the physical clock for paper bids shown above or the electronic clock in the Bid Express system used by contractors to submit bids online. Bids that are not received by the deadline are not accepted. Acceptance of such bids would provide a substantial advantage to contractors that bid late and make it very difficult to know when to cut off the bid period and stop accepting bids. Contractors that come in person to drop off paper bids often stay for the public bid opening that occurs after 11:00.

notes

# Bid Opening



At bid opening, sealed bids are opened publicly. Electronic bids are also opened publicly using a computer and projected on the wall. The bid totals for each bidder are read and the apparent low, second and third bidder for each project is announced. This adds a further level of transparency to the bidding process. The public is welcome to attend. If you ever find yourself at Headquarters on a Wednesday at 11 a.m., you are welcome to join us!

notes

## Low Bid



Contracts must be awarded to the lowest bidder – provided that their bid constitutes a definite and unqualified offer to meet the material conditions of the contract. Awarding contracts to the lowest bidder helps to ensure a low cost, however low bid contracts also receive their fair share of criticism about the quality and capabilities of the contractors performing construction and are also open to concerns that contractors bid low to get the job and find a way to increase the cost later.

Because contracts are awarded to the low bidder (excluding alternative delivery methods like Design-Build) WSDOT's prequalification process is an extremely important element in making some attempt to limit bids and ensure bids received are from qualified contractors, adding some amount of qualification-based element to a process that would normally not have such a factor. Additionally, WSDOT must have a very good contract that they can hold the contractor to performing. With these factors in mind, low bid based contracting does help WSDOT to ensure that the taxpayer receives a good value. And I'm sure you can imagine the types of discussion and criticism that would occur if price was not a factor and qualifications controlled the outcome.

notes



# Bid Analysis



Transportation Building  
310 Maple Park Avenue S.E.  
P.O. Box 47200  
Olympia, WA 98504-7200  
360-705-7000  
TTY: 1-800-933-6388  
www.wsdot.wa.gov

August 28, 2018

Bob Scarsella, Vice President  
Scarsella Bros., Inc.  
8404 S 196th St  
Kent, WA 98031-1884

**VIA EMAIL: ESTIMATING@SCARSELLABROS.COM**

Contract No. 9297  
I-5, MP 110.14 to MP 112.50  
**SR 510 INTERCHANGE - RECONSTRUCT INTERCHANGE**  
A State Project

Dear Bob Scarsella:

Your bid for the referenced project, submitted August 22, 2018 is being held for further review. In accordance with Standard Specifications Section 1-02.15, Pre-Award Information, please provide WSDOT with an explanation of how you intend to perform the work and a breakdown of the costs involved for the work including Labor, Equipment, Materials, Overhead, and Profit in the following listed Bid Item.

Bid Item 8 - Rem Portion of Exist Structure Bridge No. 510/1	\$310,000.00 Lump Sum
Bid Item 27 - Gravel Borrow Incl. Haul	\$0.01 per Ton
Bid Item 61 - Shoring or Extra Excavation CL. A	\$352,805.37 Lump Sum
Bid Item 96 - Erosion Control and Water Pollution Prevention	\$650,000.00 Lump Sum
Bid Item 165 - Operation of Transportable Attenuator	\$0.01 per Hour

You may also provide any additional information to explain the cost. Your immediate action and response to this request is solicited in order that we may expedite award of this contract. Please fax the requested information attention: Jenna Fettig at (360) 705-6810 or e-mail it to [CAA@wsdot.wa.gov](mailto:CAA@wsdot.wa.gov).

A hard copy of this letter will follow via U.S. Mail.

Sincerely,

Jenna Fettig  
Manager, Contract Ad & Award

JMF:wjs



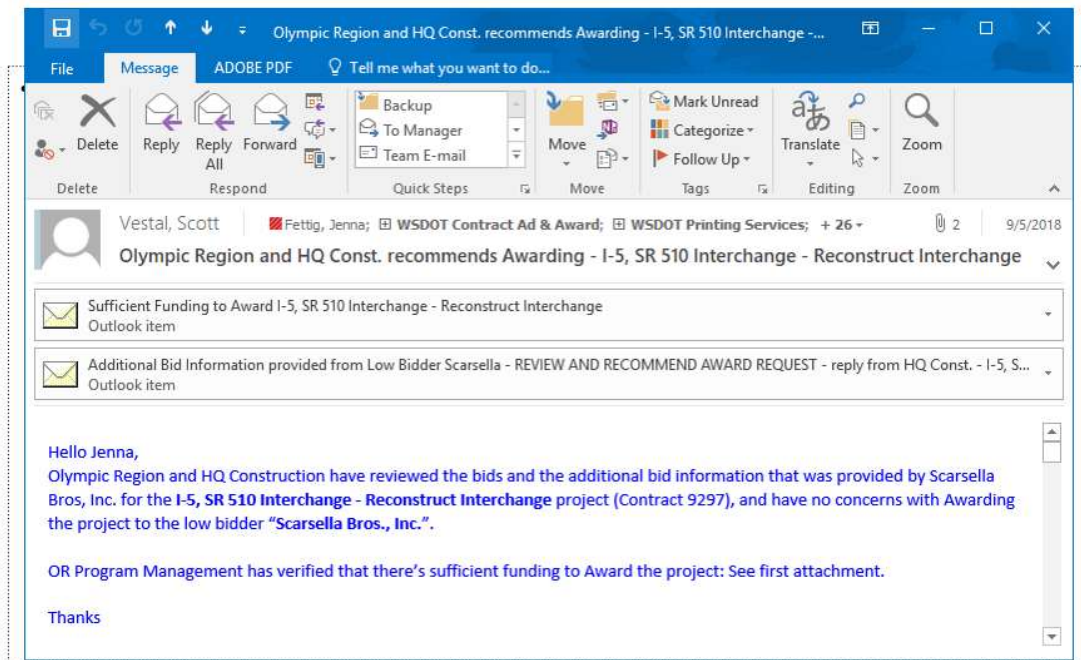
21

After bids are opened, WSDOT analyzes bids for unbalancing – looking for penny bids, very low bids, very high bids - and asks contractors to explain their bids when necessary. If a contractor's bid appears unbalanced, WSDOT will ask the contractor to provide an explanation of the price submitted. This allows us to determine if the contractor understands the work and if the bid is in the best interest of the contracting agency and verify that it does represent the low bid.

Here is a letter sent to Scarsella Bros, the general contractor for the SR 510 Interchange Reconstruction. On this project, the contractor bid a penny a ton on gravel borrow. When designing the project, WSDOT designers assumed that the contractor would need to export and import much of the material to build the project. However, based on the response back from the Contractor prior to award, the Contractor developed a plan to stockpile excavated material and eliminate the need to import most of the estimated gravel borrow. By doing this the Contractor assumed the risk that much of the excavated material would be suitable for embankment construction. Had the on-site material not worked well, or if there had not been enough material to work with, the Contractor would have been obligated to import material at a very low cost. As it turned out – the material on site is very good material and the Contractor made a very good choice.

notes

# Award Considerations



Before a project can be awarded, concurrence must be provided from a number of groups to ensure the bid is reasonable and that funding is available for the project. Approvals include:

Region approval: regions review bids and provide approval to award

HQ Construction Approval: The Assistant State Construction Engineer overseeing the project will review the bids and provide approval

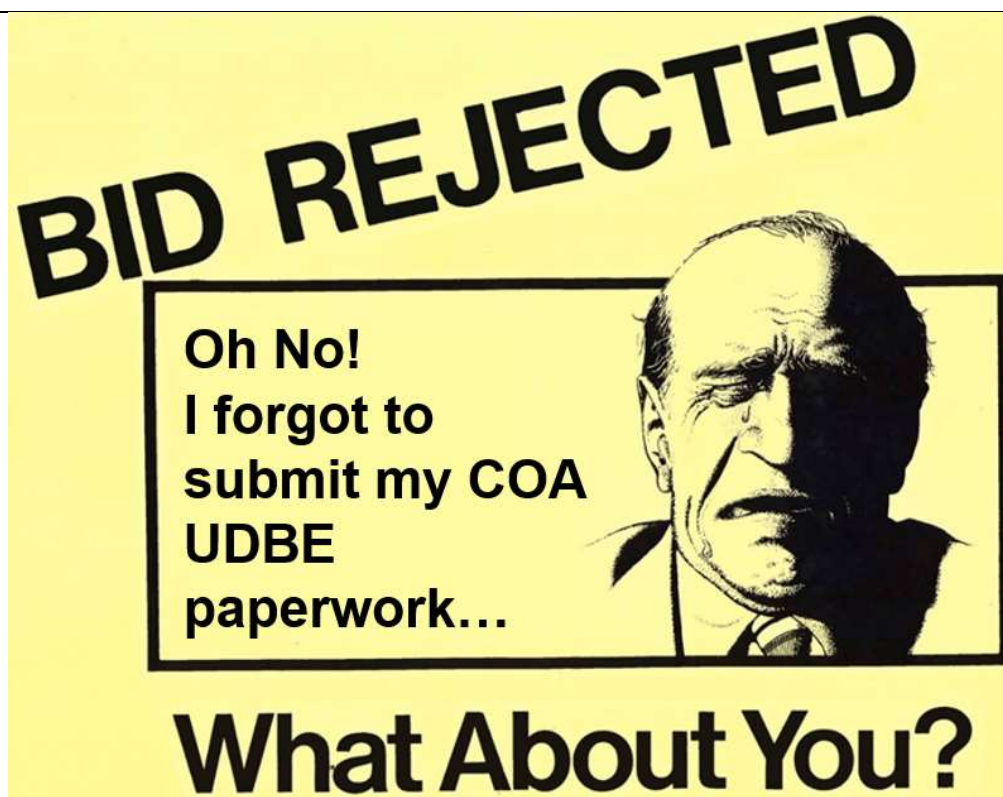
HQ Bridge and Structures: The HQ Bridge office reviews bids for structures work and provides approval

HQ Capital Projects: The Capital Projects Office verifies that funding is available and that the work order has been set up

Office of Equal Opportunity: On contracts with mandatory inclusion goals, OEO provides DBE/UDBE Bid Clearance.

Additionally, justification is required if the contract comes in 10% or more over the engineer's estimate. Special approves can be required from the Federal Highway Administration or other contracting agencies.

notes



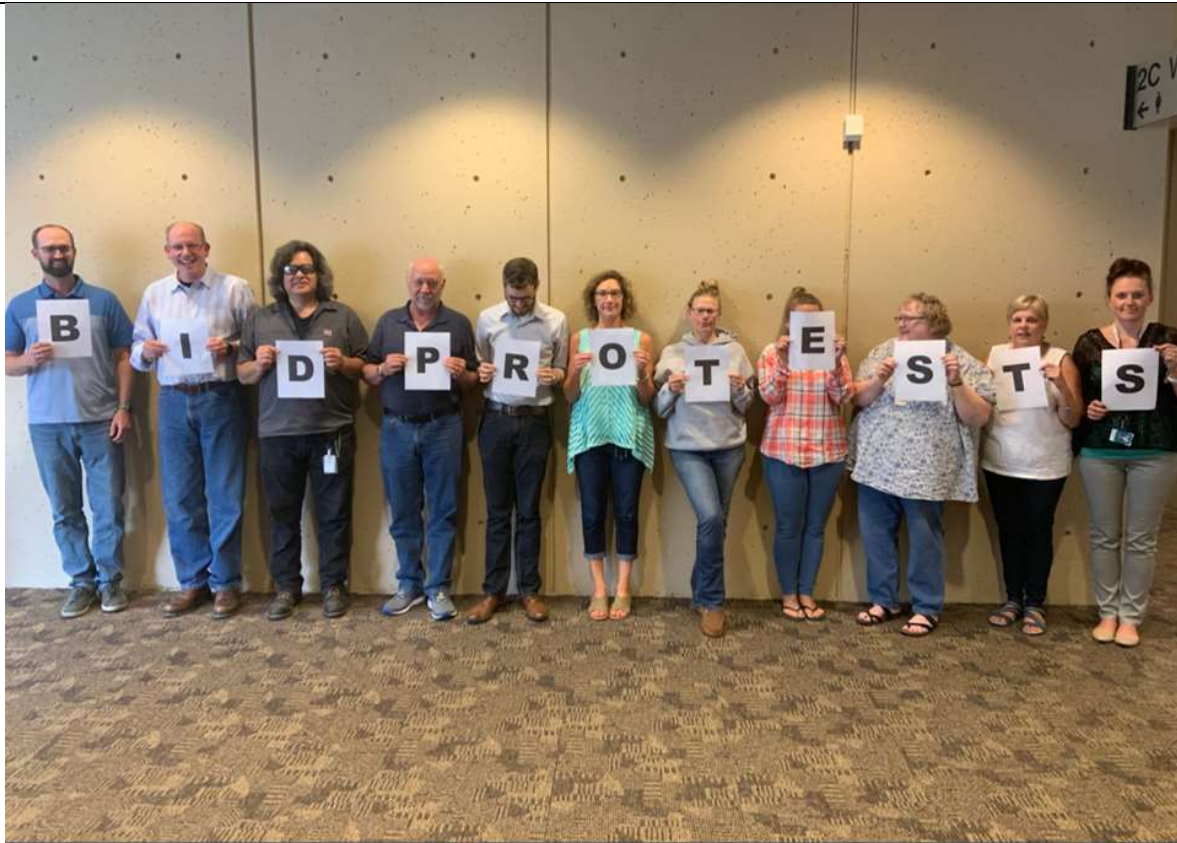
All bids that do not meet the requirements of the contract must be rejected. It would constitute a definite and special advantage to a contractor if their bid did not respond to the contract but it was accepted by the agency anyway. The Standard Specifications and Contract Special Provisions attempt to make these issues as black and white as possible since any gray area will require judgement and judgement can be questioned or disputed. That said, sometimes it does come down to judgement, and so it is beneficial that this is done centrally through Contract Ad Award.

Bids are rejected for a variety of reasons but the most common are failure to submit required paperwork such as mandatory bid forms, late submittals, failure to submit a bid deposit to secure the bid and contractors not bidding on all items in the contract. For a more complete listing, please refer to Section 1-02.13 of the Standard Specifications.

Additionally, when all bids received come in too high above the engineer's estimate or when funding is not available WSDOT will reject all bids on the contract and re-advertise the contract at a later date.

notes





 WSDOT

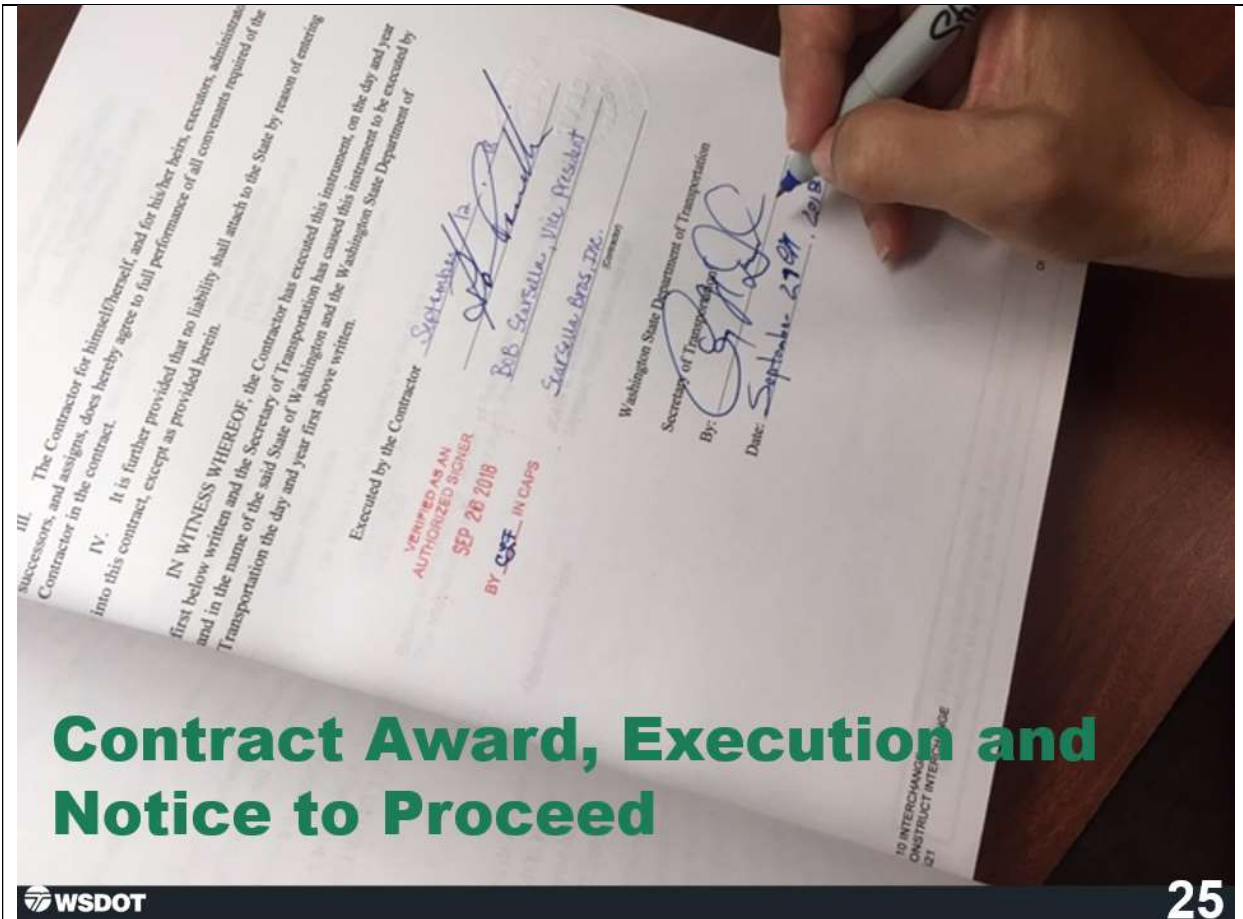
24

Bid Protests and challenges can be time consuming and let's admit it – at the end of the day, nobody wants to end up in a courtroom. That's why we've created our own graphic content for this slide – we are sure to avoid being sued for copyright infringement!

All kidding aside, When it comes to procurement of public contracts, we do have a high standard to uphold. If a contractor believes that they have been unfairly treated or that another contractor has received an advantage or that we are not proceeding per our established contract standards, the agency will receive a bid protest. Bid protests, like the rest of procurement, are handled at a headquarters level to ensure consistency. Contract Ad & Award will work with the Attorney General's office as necessary to answer the protest. Generally speaking, WSDOT must demonstrate that its actions were not arbitrary.

Until execution of the contract, the contractor may file an injunction to hold up the project. These delays can greatly impact project schedules. Fortunately, WSDOT minimizes the protests received by using a well established and vetted procurement process performed in a centralized fashion by experts.

notes



## Contract Award, Execution and Notice to Proceed

Once all approvals are received and no protests are pending, WSDOT will award the contract to the lowest responsive bidder. This process is documented by letter and a phone call also goes to the winning bidder. At that point, WSDOT prepares the contracts and send them to the contractor to sign. The contractor is provided 20 days from the date they got the phone call to return these documents along with other items like their bonds and insurance. Did you know that WSDOT's contracts are executed at Headquarters? Contracts are actually executed by the Deputy State Construction Engineer, again calling to our centralized process. Once the contract is executed, the contractor may proceed with the work.

notes

## Modal Considerations



- **It's all Public Work**
- **Prequalification**
- **Funding type considerations**



Overall, the procurement process is the same for all modes – a sidewalk or bike path is as much a public work as a highway, bridge or commuter rail. WSDOT follows a Public Works Procurement process outlined in 39.04 RCW that all state agencies use to procure public works. There are however, a few differences to note if you are preparing a PS&E.

Only contracts on the highway or ROW (including land purchased to become ROW) require prequalification. In the case that your contract is outside of the right of way you may elect to include additional bidder responsibility criteria or even require prequalification anyway in order to ensure the contractor can execute, perform and complete the contract.

Different funding sources require different contract or bidding requirements. For example, projects funded by the Federal Transit Administration and Federal Highway Administration contain additional bidding requirements that must be part of the contract and the procurement so it's important to be aware of your funding source and any unique modal considerations that may come with it.



# Transition to Construction



Interchange Construction – June 19, 2019

After the contract has been executed, construction may finally begin. Procurement is the hand off from design to construction. WSDOT's Contract Ad & Award branch works closely with both teams to assist in the transition between design and construction.

notes

## Where to get help

<https://www.wsdot.wa.gov/biz/contaa/>

### Contact Contract Ad & Award

- **Main Phone:** (360) 705-7835
- **Email:** [CAA@wsdot.wa.gov](mailto:CAA@wsdot.wa.gov)



28

<https://www.wsdot.wa.gov/biz/contaa/> - Contact Us

#### Contact Contract Ad & Award

**Main Phone:** (360) 705-7835

**Main Fax:** (360) 705-6810

**Main Email:** [CAA@wsdot.wa.gov](mailto:CAA@wsdot.wa.gov)

#### Mailing Address for USPS

PO Box 47360

Olympia, WA 98504-7360

#### Street Address for FedEx

WSDOT Transportation Building

310 Maple Park Ave SE Room 2D-20

Olympia, WA 98501-2348

notes

# Project Delivery Methods



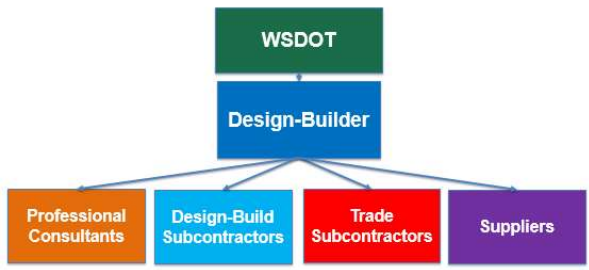
WSDOT has two primary Project Delivery Methods:

- 1) Design-bid-build, and
- 2) Design-build

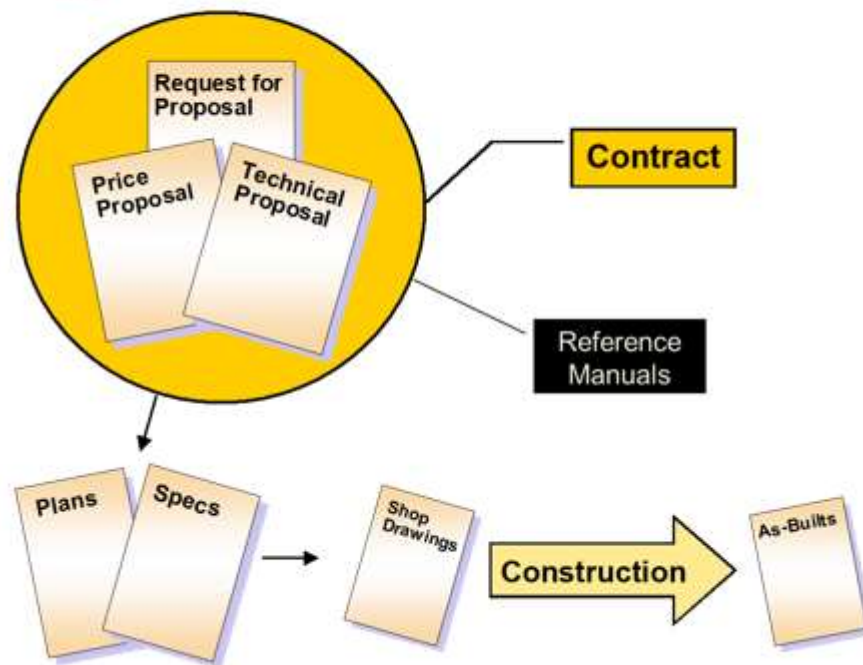
This section of the presentation is going to discuss the key differences between these two approaches and provide an high-level overview of design-build. We are not going to cover other delivery methods like General Contractor/Construction Manager or Job Order Contracting.

Notes

<div data-bbox="211 222 786 264" data-label="Section-Header"> <h2>Design-Bid-Build Contract Structure</h2> </div> <div data-bbox="233 302 724 573" data-label="Diagram"> <pre> graph TD     WSDOT[WSDOT] --- Contractor[Contractor]     WSDOT --- Engineer[Engineer]     Contractor --- Subcontractors[Subcontractors]     Engineer --- Subconsultants[Subconsultants] </pre> </div> <div data-bbox="203 625 271 646" data-label="Text"> <p>WSDOT</p> </div> <div data-bbox="758 623 794 648" data-label="Text"> <p>30</p> </div>	<p>The “Spearin” warranty comes from an old case that has been adopted in Washington case law. It means that the Owner of a design-bid-build project warrants to the Contractor that the plans and specifications are sufficient for the purpose for which they are intended.</p>
<p><b>Key Message:</b> The graphic shows the contract structure for design-bid-build. This is the traditional approach used by WSDOT that we have discussed at length in the presentation so far.</p> <p><b>Talking Points:</b></p> <ol style="list-style-type: none"> <li>1. The responsibilities in a DBB contract flow through WSDOT – the risk is with WSDOT.</li> <li>2. WSDOT Responsibility for design – we either design it in-house or through a consultant <ul style="list-style-type: none"> <li>• The contract requirements are prescriptive, which means that WSDOT is responsible for the “Spearin” warranty. The “Spearin” warranty comes from an old case that has been adopted in Washington case law. It means that the Owner of a design-bid-build project warrants to the Contractor that the plans and specifications are sufficient for the purpose for which they are intended.</li> <li>• If WSDOT hired the designer, it may attempt to recover against the designer for defects in the design; however: <ul style="list-style-type: none"> <li>• Designers are only responsible to provide the “professional standard of care”, which is the care and skill ordinarily used by professionals in that area, at that time. In other words, professionals do not provide perfect designs.</li> <li>• It is extremely difficult to prove that a Designer breached the professional standard of care.</li> </ul> </li> <li>• If WSDOT performed the design, it is responsible for any issues with the design.</li> </ul> </li> <li>3. WSDOT Contract with Contractor: <ul style="list-style-type: none"> <li>• WSDOT is responsible to the Contractor for any problems with the plans and specifications as a result of the Spearin warranty (described in section 2 above). In other words, when WSDOT provides prescriptive plans and specifications, the Contractor is only responsible to build what is in the plans and specifications. It is not responsible if there are issues with how the project performs. In addition, there is very little room for interpretation or innovation.</li> </ul> </li> </ol>	
<div data-bbox="211 1646 238 1717" data-label="Text"> <p>notes</p> </div>	

<p><b>Design-Build Contract Structure</b></p>  <pre> graph TD     WSDOT[WSDOT] --&gt; DB[Design-Build]     DB --&gt; PC[Professional Consultants]     DB --&gt; DBS[Design-Build Subcontractors]     DB --&gt; TS[Trade Subcontractors]     DB --&gt; S[Suppliers] </pre> <p>WSDOT</p> <p>31</p>	<p>Design Build is a Project Delivery Method in which WSDOT procures both design and construction services in the same contract from a single, legal entity referred to as the design-builder.</p>
<p><b>Proclaimed Advantages of Design-Build</b> Proponents proclaim:</p> <p><b>Time savings</b> through:</p> <ul style="list-style-type: none"> <li>• Early contractor involvement enables construction engineering considerations to be incorporated into the design...</li> <li>• Fast-tracking design and construct portions of the project, with overlapping (concurrency) of design and construction phases...; and</li> <li>• Elimination of a separate construction contractor bid phase following design phase.</li> </ul> <p><b>Cost savings</b> from:</p> <ul style="list-style-type: none"> <li>• Communication efficiencies ...</li> <li>• Reduced construction engineering costs...</li> <li>• Fewer change and extra work orders...</li> <li>• Reduced potential for claims and litigation...; and</li> <li>• Shortened project timeline reduces level of staff by the design-build team and motorist inconvenience due to reduced lane closures.</li> </ul> <p><b>Improved quality</b> through:</p> <ul style="list-style-type: none"> <li>• Greater focus on quality control and quality... throughout project development;</li> <li>• Project innovations uniquely fashioned by project needs and contractor capabilities.</li> </ul>	<p><b>Proclaimed Disadvantages of Design-Build</b> Critics claim that design-build:</p> <ul style="list-style-type: none"> <li>• Reduces competition for construction services by excluding smaller firms unable to lead the larger projects most amenable to the design-build;</li> <li>• Favors large national engineering and construction firms in competing for larger design-build contracts;</li> <li>• Favoritism may enter into the contract award process by including non-price factors in the basis for selection;</li> <li>• Undermines inherent checks and balances of design and construction teams in the traditional delivery systems, with the design team no longer independent of the construction contractor;</li> <li>• Strikes at the foundation of traditional quality assurance/quality control roles by combining engineering and construction; and</li> <li>• Increases project costs due to the elimination of the low bid contractor selection criteria.</li> </ul> <p><a href="https://www.fhwa.dot.gov/reports/designbuild/designbuild2.htm">https://www.fhwa.dot.gov/reports/designbuild/designbuild2.htm</a></p>
<p><b>A Project Delivery Method in which WSDOT procures both design and construction services in the same contract from a single, legal entity referred to as the design-builder.</b></p> <p><b>Key Message: This is the basic graphic for the design-build delivery method.</b></p> <p><b>Talking Points:</b></p> <ol style="list-style-type: none"> <li>1. Design-Builders take on more risk than in any other delivery method. The design-builder is the engineer of record and the risk is with the Design-Build. They are the single point of contact for the project.</li> </ol>	
<p>notes</p>	

# Design-Build Contract



**Key Message:** Review the structure of a design-build contract.

The Design-Build Contract is made up of the Procurement Documents which are the Request for Qualifications, and the Request for Proposals which includes the Instructions to Proposers, General Provisions and Chapter 2, Technical Requirement Sections (28 Sections). The general provisions replaces division 1 of the standard specifications.

The Plans and Specs that are created by WSDOT are either (c) Contractual Documents, (BC) Contractual Documents where Basic Configuration elements are depicted or described, (R) Reference Documents, not part of the Contract Documents.

The Price Proposal and the Technical Proposal are the contractor's response to the Request for Proposals.

notes



# WSDOT DB Award Method

## Selection Procedure

- Two-Step Selection (most typical)
  - Request for Qualifications
  - Request for Proposal
- Best-Value Award



The selection process is a 2 step process. The first phase is the Qualifications Phase. Very important step, this is where performance feedback is incorporated and experience is measured.

Start by developing the project goals and looking at project risks. We write the Request For Qualifications and Request For Proposals around those project goals. Approved templates are available for the RFP and RFQ.

Teams submit a Statement of Qualifications which is evaluated. WSDOT's best practice is to shortlist to typically 3 firms that are invited to participate in the second phase, the Request for Proposal.

The Request for Proposal requires Proposers to address how they plan to deliver the project (Specific Approach). Proposal development is typically a 3 to 4 month period. Proposers can submit Alternative Technical Concepts which provide an opportunity for innovation. These concepts must be equal or better to what the RFP requires.

notes

## Headquarters Design-Build Contacts

**Denys Tak, PE**  
**Lead Construction Engineer**  
(360) 705-7833  
[takd@wsdot.wa.gov](mailto:takd@wsdot.wa.gov)

**Art McCluskey, PE, DBIA**  
**Design-Build Program Manager**  
(360) 705-7468  
[mcclusa@wsdot.wa.gov](mailto:mcclusa@wsdot.wa.gov)

**Jolena Missildine, PMP, Assoc. DBIA, CCM**  
**Design-Build Engineer**  
(360) 705-7548  
[missildj@wsdot.wa.gov](mailto:missildj@wsdot.wa.gov)

**Alex Countouriotis, PMP, Assoc. DBIA**  
**Design-Build Liaison**  
(360) 705-7831  
[countoa@wsdot.wa.gov](mailto:countoa@wsdot.wa.gov)

**Chris Gross**  
**Design-Build Assistant**  
(360) 705-6859  
[grossc@wsdot.wa.gov](mailto:grossc@wsdot.wa.gov)



34

Here are the contacts for the Design-Build Headquarters (DB HQ) Team. General inbox is:  
[designbuild@wsdot.wa.gov](mailto:designbuild@wsdot.wa.gov)

notes

# Resources For Design-Build

- Prior Work Products: approved templates, etc.
- Design-Build Manual
- Design-Build Training Summits
- WSDOT Internal Design-Build Workgroup
- WSDOT/Associated General Contractors/American Council of Engineering Companies Design-Build Committee
- WSDOT Subject Matter Experts
- WSDOT Construction and Design Staff
- Other State DOTs
- Various Federal, State, and Academic Research Reports
- Design-Build Institute of America



2016 DWPE Conference



35

## Prior Work Products

- Guidebook, Guidance Statements, Templates

## WSDOT Internal DB Workgroup

- Meets every 4-6 weeks, HQ, Region representatives
- Source for document creation, discussion.

## WSDOT/AGC/ACEC DB Committee

- Industry partnership
- Competing interests
- Good forum for exchange, comment

## WSDOT SME

- Assist with Tech Requirement development
- Resource during RFP creation
- 

## WSDOT Construction and Design Staff

ASCE/ASDE Monthly meetings **Other State DOTs**

- As shown in a previous slide, many states are using DB in transportation
- Many choices for documents, procedures
- Modify per WSDOT requirements

## Research Reports

- Wealth of information on all aspects

## DBIA

- WSDOT is Industry Partner member
- Access to best practices, research, documents
- Potential training partner

notes

## Design-Build Web Links

- WSDOT Design-Build SharePoint site:  
<http://sharedot/eng/cn/hqconstr/dpb/SitePages/Home.aspx> (internal)
- WSDOT Design-Build Web Page  
<http://www.wsdot.wa.gov/Projects/delivery/designbuild/Default.htm>
- WSDOT Design-Build Manual
- <http://sharedot/eng/cn/hqconstr/dpb/Design%20Build%20Manual/Forms/AllItems.aspx>
- Joint Transportation Committee of Washington State Legislature Design-Build Study <http://leg.wa.gov/JTC/Pages/Design-Build-Study.aspx>
- WSDOT Design-Build Templates  
<http://sharedot/eng/cn/hqconstr/dpb/DB%20Templates/Forms/AllItems.aspx>
- WSDOT Design-Build Training Modules  
<http://sharedot/eng/cn/hqconstr/dpb/DesignBuild%20Training%20Modules/Forms/AllItems.aspx>
- Design-Build Institute of America Best Practices  
<https://www.dbia.org/resource-center/Pages/Best-Practices.aspx>
- Design-Build Institute of America Transportation Conference  
[www.dbia.org](http://www.dbia.org)

**Key Message:** Note the other resources available to research and learn about design-build generally and at WSDOT.

Also see:

Construction Manual

<https://www.wsdot.wa.gov/publications/manuals/fulltext/M41-01/Construction.pdf>

Design Manual, Chapter 110

<https://www.wsdot.wa.gov/publications/manuals/fulltext/M22-01/design.pdf>

Organizational Conflicts of Interest Manual

<https://www.wsdot.wa.gov/publications/manuals/fulltext/M3043/OCOI.pdf>

notes

# Design-Build Annual Training Summit



The DB HQ Team host an annual 2-day DB Training Summit.

## Established Training Modules

Introduction to Design-Build

Design-Build Office Management and Contract Administration

Design-Build Start-Up and Request for Qualifications Development (Step 1)

Design-Build Request for Proposal & Instructions to Proposers Development (Step 2)

Design-Build Close Out Process

Design-Build Statement of Qualifications Evaluations

Design-Build Proposal Evaluation

Alternative Technical Concept Review Process

Design-Build Environmental

Design-Build Quality

Design-Build Lessons Learned

Best Practices for Transportation

OEO Performance Plans

Design-Build Invoicing

How to Debrief

Design-Build Quality Verification (Administration, Construction, Design)

Risk Analysis and Allocation for Design-Build Contracts

notes



# Questions?



This concludes the presentation. Any questions?

notes

# notes